

# Cross-Cutting Management Issues

## Hot Mix Asphalt

WSDOT tracks both the projected and awarded amounts of Hot Mix Asphalt (HMA) for two reasons. First, the agency projects HMA amounts so that asphalt-producing contractors can better anticipate future HMA volumes. This helps these private contractors better manage their production and reduce their costs to deliver the HMA, and ultimately results in more competitive bidding and favorable prices by construction contractors on WSDOT projects. Secondly, WSDOT measures actual tons awarded as an indicator of the agency's estimating accuracy.

In October 2005, WSDOT forecasted that 1,213,985 tons of HMA would be awarded in construction contracts through September 2006. This forecast anticipated that during the six months from October 2005 through March 2006, 45 projects would be awarded with a combined total of 707,695 tons of HMA. At the end of March, the actual total is 38 projects awarded with 545,193 tons of HMA. Of this total, 27 are from Pre-Existing Funds (PEF) amounting to 374,443 tons, ten are Nickel projects amounting to 170,250 tons, and one is a Sound Transit project with 500 tons. There were no Transportation Partnership Account (TPA) projects with HMA awarded during this period. By the end of April, WSDOT anticipates that 240,991 more tons will be awarded (for a total of 786,184 tons), bringing the total awarded closely in line with the projected award of 745,336 tons.

### Hot Mix Asphalt Forecast Decreases 32% for 2006

The 2006 forecast of 1,213,985 tons of HMA is a 32% decrease compared to the 2005 forecast of 1,779,826 tons. There were multiple reasons for this decrease.

**Biennial Scheduling.** WSDOT put a higher percentage of its paving jobs on advertisement in the first year of the 2005-07 biennium.

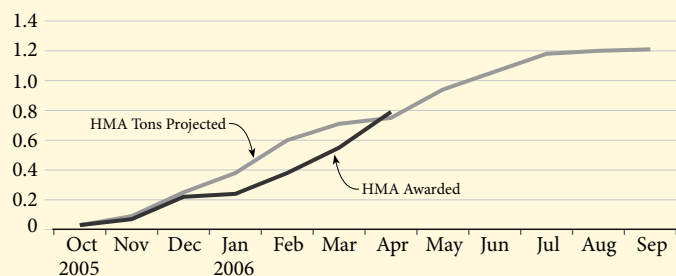
**Funding Reallocation.** In a collaborative decision, WSDOT and the Legislature reduced the amount of money provided to the roadway preservation program in the 2005-07 biennium; this money was reallocated to WSDOT's safety program for cable median barriers. As a part of this reallocation, WSDOT has started using more chip seal pavement in place of asphalt for the road surfaces on lower volume roadways. This will help keep the backlog of paving needs down.

**HMA Cost Increases.** The price of HMA has increased from \$33/ton in 2002 to \$55/ton in the first quarter of 2006 (a 67% increase). This has decreased the amount of HMA that WSDOT can afford to purchase.

HMA tonnage will likely go back up in future years as the TPA projects begin construction.

### Hot Mix Asphalt Tons Awarded October 2005 - March 2006

Tons in Millions



### Hot Mix Asphalt Pavement - Projected vs. Actual, 2002-2005

In Tons, October through September of each year<sup>1</sup>

Year	Projected	Actual	% Difference
2002	1,373,465 <sup>2</sup>	1,364,021	-1%
2003	1,417,126	1,825,442	+29% <sup>3</sup>
2004	1,324,218	1,299,377	-2%
2005	1,779,826	1,685,394	-5%
2006	1,213,985	N/A	N/A

Source: WSDOT Construction Office

<sup>1</sup> Awarded tons are tracked from an October through September calendar year, providing a better measurement of the work schedule and better planning for the paving industry than the calendar year. Construction projects awarded in the fall typically do not begin work until the next year due to inclement weather conditions.

<sup>2</sup> The projection for 2002 was revised in March 2002 by the Transportation Commission following budget cuts.

<sup>3</sup> The 2003 "Nickel" Transportation Funding Package was passed after the projection was made for 2003. WSDOT subsequently awarded five projects from the Nickel funding package with a combined total of 315,285 tons of HMA.



Early evening paving in South Central Region on I-90. Note the lights on the equipment illuminating the area for night work.